

**A REGULAR MEETING
OF
THE PUBLIC SERVICE COMMISSION**

1. A Regular Meeting was called to order by Chair Dallas Winslow in the Hearing Room, 861 Silver Lake Boulevard, Dover, Delaware, on Tuesday, September 20, 2016, at 1:00 p.m. with the following Commissioners in attendance: Joann Conaway, Mike Karia, Kim Drexler, and Harold Gray.

The following Staff members were in attendance: Brenda Mayrack, Deputy Attorney General, Robert Willard, Deputy Attorney General, Robert Howatt, Matthew Hartigan, James McC Geddes, Esquire, Malika Davis, Jason Smith, Connie McDowell, and Donna Nickerson.

2. Commissioner Conaway moved to approve both Public and Executive Session meeting minutes from the September 6, 2016 Commission meeting as presented; seconded by Commissioner Karia; motion carried 4-0. Commissioner Drexler abstained.
3. CONSENT AGENDA ITEMS:

A motion was made by Commissioner Gray to adopt the following Consent Agenda items:

IN THE MATTER OF THE ADOPTION OF RULES AND REGULATIONS TO IMPLEMENT THE PROVISIONS OF 26 *DEL. C. CH. 10* RELATING TO THE CREATION OF A COMPETITIVE MARKET FOR RETAIL ELECTRIC SUPPLY SERVICE (OPENED APRIL 27, 1999; RE-OPENED JANUARY 7, 2003; RE-OPENED SEPTEMBER 22, 2009; RE-OPENED SEPTEMBER 7, 2010; RE-OPENED JULY 17, 2012)– PSC REGULATION DOCKET NO. 49

Commission to consider proposed Order No. 8944.

IN THE MATTER OF THE COMMISSION'S REVIEW OF DELMARVA POWER'S RETAIL ELECTRICITY PRICING AND POTENTIAL LONG-TERM APPROACHES TO SECURE LOWER PRICED ENERGY (OPENED AUGUST 19, 2014) – PSC DOCKET NO. 14-0283

Commission to consider proposed Order Nos. 8939 and 8940.

IN THE MATTER OF THE PETITION OF DIRECT ENERGY SERVICES, LLC TO REQUEST THE PUBLIC SERVICE COMMISSION TO ISSUE, ON AN EXPEDITED BASIS, AN ORDER DIRECTING DELMARVA POWER & LIGHT COMPANY TO DISTRIBUTE AN EDUCATIONAL BILL INSERT REGARDING THE OPTIONS AVAILABLE UNDER THE CONTRACT AWARDED BY THE STATE OF DELAWARE (FILED JUNE 30, 2016) – PSC DOCKET NO. 16-0744

Commission to consider proposed Order No. 8938.

IN THE MATTER OF THE APPLICATION OF DELMARVA POWER & LIGHT COMPANY FOR APPROVAL OF QUALIFIED FUEL CELL PROVIDER PROJECT TARIFFS (FILED AUGUST 30, 2016) – PSC DOCKET NO. 16-0895

Commission to consider Staff Memorandum and proposed Order No. 8941.

IN THE MATTER OF THE JOINT APPLICATION FOR THE APPROVAL FOR TRANSFER OF CONTROL OF GRASSHOPPER GROUP, LLC PURSUANT TO 26 *DEL. C. §215* (FILED AUGUST 29, 2016) – PSC DOCKET NO. 16-0899

Commission to consider Staff Memorandum.

The motion was seconded by Commissioner Drexler; the motion carried unanimously.

4. REGULAR AGENDA ITEMS:

IN THE MATTER OF THE ADOPTION OF RULES AND REGULATIONS TO IMPLEMENT THE PROVISIONS OF 26 *DEL. C. CH. 10* RELATING TO THE CREATION OF A COMPETITIVE MARKET FOR RETAIL ELECTRIC SUPPLY SERVICE (OPENED APRIL 27, 1999; RE-OPENED JANUARY 7, 2003; RE-OPENED SEPTEMBER 22, 2009; RE-OPENED SEPTEMBER 7, 2010; RE-OPENED JULY 17, 2012)– PSC REGULATION DOCKET NO. 49

James McC. Geddes, Esquire, appeared on behalf of Staff.

Brian Greene, Esquire, GreenHurlocker, PLC, appeared on behalf of Retail Energy Supply Association (“RESA”).

Pamela Scott, Esquire, appeared on behalf of Delmarva Power & Light Company.

Regina Iorii, Esquire, and Dave Bonar appeared on behalf of the Division of the Public Advocate.

A motion was made by Commissioner Conaway and seconded by Commissioner Karia to adopt Order No. 8937 as presented; motion carried unanimously.

A verbatim transcript was made of this proceeding.

IN THE MATTER OF THE APPLICATION OF DELMARVA POWER & LIGHT
COMPANY FOR APPROVAL OF MODIFICATIONS TO ITS GAS COST RATES
(FILED AUGUST 26, 2016) – PSC DOCKET NO. 16-0889

Robert Willard, Esquire, and Malika Davis appeared on behalf of Staff.

Pamela Scott, Esquire appeared on behalf of Delmarva Power & Light Company.

Regina Iorii, Esquire, Dave Bonar appeared on behalf of the Division of the Public Advocate.

A motion was made by Commissioner Gray and seconded by Commissioner Drexler to adopt Order No. 8942 as submitted; motion carried unanimously.

A verbatim transcript was made of this proceeding.

IN THE MATTER OF THE APPLICATION OF CHESAPEAKE UTILITIES
CORPORATION FOR APPROVAL OF A CHANGE IN ITS GAS SALES SERVICE
RATES (“GSR”) TO BE EFFECTIVE NOVEMBER 1, 2016 (FILED SEPTEMBER 1,
2016) – PSC DOCKET NO. 16-0908

Robert Willard, Esquire, and Jason Smith appeared on behalf of Staff.

William O’Brien, Esquire appeared on behalf of Chesapeake Utilities Corporation.

Regina Iorii, Esquire, Dave Bonar appeared on behalf of the Division of the Public Advocate.

A motion was made by Commissioner Drexler and seconded by Commissioner Gray to adopt Order No. 8943 as presented; motion carried unanimously.

A verbatim transcript was made of this proceeding.

IN THE MATTER OF THE PETITION OF DIRECT ENERGY SERVICES, LLC TO REQUEST THE PUBLIC SERVICE COMMISSION TO ISSUE, ON AN EXPEDITED BASIS, AN ORDER DIRECTING DELMARVA POWER & LIGHT COMPANY TO DISTRIBUTE AN EDUCATIONAL BILL INSERT REGARDING THE OPTIONS AVAILABLE UNDER THE CONTRACT AWARDED BY THE STATE OF DELAWARE (FILED JUNE 30, 2016) – PSC DOCKET NO. 16-0744

Brenda Mayrack, Esquire, and Connie McDowell appeared on behalf of Staff.

Tara L. Lattomus, Esquire, and Daniel Clearfield, Esquire, Eckert Seamans Cherin & Mellott, LLC, appeared on behalf of Direct Energy Services, LLC.

Brian Greene, Esquire, GreeneHurlocker, PLC, appeared on behalf of Retail Energy Supply Association (“RESA”).

Todd Goodman, Esquire, appeared on behalf of Delmarva Power & Light Company.

Regina Iorii, Esquire, Dave Bonar appeared on behalf of the Division of the Public Advocate.

A motion was made by Commissioner Conaway and seconded by Commissioner Karia 1) approving Direct Energy Services, LLC’s withdrawal of comments and testimony and Delmarva Power & Light Company’s withdrawal of withdraw emergency motion; and 2) granting a stay of the hearing and consideration of Direct Energy’s Petition until the the October 6, 2016 meeting, which was requested by all parties to allow additional time to propose a settlement and Order to the Commission; motion carried unanimously.

A verbatim transcript was made of this proceeding.

5. HEARINGS:

IN THE MATTER OF THE PETITION OF DIRECT ENERGY SERVICES, LLC TO REQUEST THE PUBLIC SERVICE COMMISSION TO ISSUE, ON AN EXPEDITED BASIS, AN ORDER DIRECTING DELMARVA POWER & LIGHT COMPANY TO DISTRIBUTE AN EDUCATIONAL BILL INSERT REGARDING THE OPTIONS AVAILABLE UNDER THE CONTRACT AWARDED BY THE STATE OF DELAWARE (FILED JUNE 30, 2016) – PSC DOCKET NO. 16-0744

Brenda Mayrack, Esquire, and Jason Smith appeared on behalf of Staff.

Tara L. Lattomus, Esquire, and Daniel Clearfield, Esquire, Eckert Seamans Cherin & Mellott, LLC, appeared on behalf of Direct Energy Services, LLC.

Brian Greene, Esquire, GreeneHurlocker, PLC, appeared on behalf of Retail Energy Supply Association (“RESA”).

Todd Goodman, Esquire, appeared on behalf of Delmarva Power & Light Company.

Regina Iorii, Esquire, Dave Bonar appeared on behalf of the Division of the Public Advocate.

As noted above, a motion was made by Commissioner Conaway and seconded by Commissioner Karia 1) approving Direct Energy Services, LLC’s withdrawal of comments and testimony and Delmarva Power & Light Company’s withdrawal of withdraw emergency motion; and 2) granting a stay of the hearing and consideration of Direct Energy’s Petition until the the October 6, 2016 meeting, which was requested by all parties to allow additional time to propose a settlement and Order to the Commission; motion carried unanimously.

A verbatim transcript was made of this proceeding.

Before the Hearing for Docket No. 14-193 started, Chair Winslow granted Representative John Kowalko permission to speak as a non-party participant regarding his concerns towards potential use of the settlement money.

IN THE MATTER OF THE APPLICATION OF DELMARVA POWER & LIGHT COMPANY, EXELON CORPORATION, PEPCO HOLDINGS, INC., PURPLE ACQUISITION CORPORATION, EXELON ENERGY DELIVERY COMPANY, LLC AND NEW SPECIAL PURPOSE ENTITY FOR APPROVALS UNDER THE PROVISIONS OF 26 *DEL. C.* §§ 215 AND 1016 (FILED JUNE 18, 2014) - PSC DOCKET NO. 14-193

Thomas McGonigle, Esquire, and Joseph Schoell, Esquire, Drinker Biddle & Reath LLP, appeared on behalf of Joint Applicants, DP&L/Exelon.

James McC. Geddes, Esquire, and Connie McDowell, Mark Lawrence and Ashley Lyon appeared on behalf of Staff.

Regina Iorii, Esquire, Dave Bonar appeared on behalf of the Division of the Public Advocate.

Devera B. Scott, Esquire, and Thomas Noyes appeared on behalf of Delaware Department of Natural Resources and Environmental Control (“DNREC”).

Bruce Burcat, Esquire, appeared on behalf of Mid-Atlantic Renewable Energy Coalition (MAREC”).

Dr. Jeremy Firestone appeared *pro se* on behalf of himself.

William O’Brien, Esquire, appeared on behalf of Chesapeake Utilities Corporation.

After a brief recess, the Commission granted Ms. Bernice Whaley, Secretary of Delaware Economic Development Office (“DEDO”), to speak as a non-party participant regarding the allocation of funds to DEDO.

The following motions were made regarding the issues presented to the Commission in Docket No. 14-193:

A motion was made by Chair Winslow and seconded by Commissioner Conaway that \$8.0 million of the \$26,132,618 be allocated to EEIF Plus; motion carried unanimously.

A motion was made by Commissioner Karia and seconded by Commissioner Drexler adopt recommendation of \$4.0 million Energy Efficiency Investment Fund (“EEIF”) for DP&L customers; motion carried unanimously.

A motion was made by Commissioner Gray and seconded by Commissioner Karia adopt the EE low income allocation of \$2.0 million as presented by the current parties; motion carried unanimously.

A motion was made by Commissioner Conaway and seconded by Commissioner Karia to approve \$6.0 million to DEDO Economic Development; remove the Delmarva service

territory restriction and incumbered, for gas infracture enhancements, for 3 years with the remaining 2 years for Economic Development. After 5 years to revert to the Arrearage Management Plan; motion carried 4-0. Chair Winslow abstained.

A motion was made by Commissioner Gray and seconded by Commissioner Karia to stay and/or suspend consideration on the Public Interest proposl of \$4.0 million until such date that Staff and the other parties could come back to the Commission with more specific and definitive information; the motion carried unanimously.

A motion was made by Commissioner Conaway and seconded by Commissioner Karia to deny the request for Electric Vehicle Charging; motion carried 4-0. Commissioner Drexler abstained.

A motion was made by Commissioner Gray and seconded by Drexler to deny Low Income Customer Rebate proposal as submitted by Dr. Firestone; motion carried unanimously.

A motion was made by Commissioner Drexler and seconded by Commissioner Gray to approve \$3.0 million Arrearage Management Plan as presented and agreed to by the parties; motion carried unanimously.

A motion was made by Commissioner Conaway and seconded by Commissioner Karia to approve Reversion of Funds as presented; motion carried unanimously.

A motion was made by Commissioner Gray and seconded by Commissioner Conaway to adopt Renewable Investment proposal of \$3.0 million as agreed by the parties which would be capital for government agencies to develop renewables that are scientifically, by nature, able to be grown, retrieved and put back into service or otherwise generated by natural technology techniques producing fuel; motion carried unanimously.

A motion was made by Commissioner Drexler and seconded by Commissioner Conaway to approve 5 Megawatts Renewable Energy Generation proposal as presented; motion carried unanimously.

A motion was made by Commissioner Gray and seconded by Commissioner Karia to defer consideration until further progress is made in Maryland and D.C. related to Micro Grid; motion carried unanimously.

A motion was made by Commissioner Gray and seconded by Commissioner Conaway to suspend deliberations on Miscellaneous Wording Changes proposed by the parties until such time as this topic becomes before the Commission on the regular Agenda; motion carried unanimously.

6. DIRECTOR'S COMMENTS:

Mr. Howatt announced the next Commission meeting would be held on October 6, 2016 at 1:00 P.M. at the Dover office.

There was no further business and the meeting adjourned approximately at 5:25 P.M.

Respectfully submitted,

/s/Donna Nickerson

Secretary